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March 19, 1996

Mr. David S. Guzy, Chief  
Rules and Procedures Staff  
Minerals Management Service  
Royalty Management Program  
P. O. Box 25165, MS 3101  
Denver, CO 80225-0165

RE: Advance Notice of Proposed Rulemaking:  
"Valuation of Oil from Federal and Indian Leases"  
60 FR 65610, December 20, 1995

Dear Mr. Guzy:

On behalf of the Rocky Mountain Oil & Gas Association (RMOGA), I am writing to offer comments on MMS' Advance Notice of Proposed Rulemaking referenced above. RMOGA is a regional trade association representing hundreds of members who account for more than 90% of the oil and gas exploration, production and transportation activities in the Rocky Mountain West, as well as the majority of federal lessees and the majority of rental, bonus and royalty dollars paid to the Treasury from federal leases.

As you are aware, a number of RMOGA's members are involved in current litigation regarding the valuation of oil. As a result, we are significantly restrained in our ability to comment on the issues raised in the notice. We recommend MMS withdraw the notice until resolution of the pending court cases.

Having participated on both MMS' recent gas valuation negotiated rulemaking committees, RMOGA supports the negotiated rulemaking process and believes such process fosters the development of balanced, equitable valuation regulations. However, RMOGA would not be able to participate in a negotiated rulemaking on oil valuation at this time because of the same constraints which prevent us from commenting on the notice.

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It should be noted that member companies of other industry trade associations are also involved in the pending litigation. Therefore, we believe any further action concerning the valuation of oil should be postponed until all integral parties to a rulemaking process are available to participate.

Thank you for your consideration of our comments. If you have any questions or would like to discuss any of our comments in greater detail, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, reading "Carla J. Wilson".

Carla J. Wilson  
Director  
Tax, Finance & Accounting